

CHAPTER 1049

RURAL VETERINARIAN LOAN REPAYMENT PROGRAM

S.F. 2398

AN ACT establishing a rural veterinarian loan repayment program for veterinary students and certain licensed veterinarians and a rural veterinary care trust fund, and making appropriations.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. NEW SECTION. **261.120 Rural veterinarian loan repayment program — fund — appropriations.**

1. *Definitions.* For purposes of [this section](#), unless the context otherwise requires:

a. “*Eligible loan*” means the veterinarian’s total federally guaranteed Stafford loan amount under the federal family education loan program or the federal direct loan program, or the recipient’s federal grad plus loans, including principal and interest.

b. “*Practice of food supply veterinary medicine*” includes corporate and private practices devoted to food animal medicine, mixed animal medicine located in a rural area, food safety, epidemiology, public health, animal health, and other public and private practices that contribute to the production of a safe and wholesome food supply.

c. “*Rural service commitment area*” means a city in Iowa with a population of less than twenty-six thousand that is located more than twenty miles from a city with a population of fifty thousand or more and which provides a dollar contribution equivalent to twelve and one-half percent of the veterinarian’s total eligible loan amount upon graduation for deposit in the rural veterinary care trust fund.

d. “*Veterinary shortage area*” means a designated veterinary service shortage situation in Iowa identified and nominated by the state veterinarian, or recommended for designation in accordance with the federal National Veterinary Medical Service Act, 7 U.S.C. §3101 et seq., and published by the United States department of agriculture.

2. *Program established.* A rural veterinarian loan repayment program is established to be administered by the college student aid commission for purposes of providing loan repayments for individuals who agree to practice as veterinarians in rural service commitment areas or in veterinary shortage areas in Iowa for four years and meet the requirements of [this section](#). The commission shall adopt rules pursuant to [chapter 17A](#) to administer [this section](#). The commission may accept gifts, grants, bequests, and other private contributions, as well as state or federal moneys, for deposit in the fund created under [subsection 10](#).

3. *Eligibility.*

a. An individual is eligible to apply to enter into a program agreement with the commission if the individual meets any of the following requirements:

(1) Is enrolled in the final year of a veterinary degree program at a college of veterinary medicine accredited by the American veterinary medical association council on education.

(2) Is a veterinarian licensed pursuant to [chapter 169](#) who, within five years of applying for this program, received a veterinary medicine degree from a college of veterinary medicine accredited by the American veterinary medical association council on education.

b. An individual who participated in and received loan repayment awards through the veterinary medicine loan repayment program administered by the United States department of agriculture, national institute of food and agriculture, is ineligible to enter into a program agreement under [this section](#).

4. *Program agreements.* A program agreement shall be entered into by an individual and the commission if the individual meets the requirements of [subsection 3](#). Under the agreement, to receive loan repayments pursuant to [subsection 6](#), the individual shall fulfill all of the following requirements:

a. Receive or possess a doctor of veterinary medicine, or the equivalent, from a college of veterinary medicine accredited by the American veterinary medical association council on education.

b. Possess, or apply for and obtain, a license to practice veterinary medicine under [chapter 169](#).

c. Secure an offer of employment or establish and maintain a practice in a veterinary shortage situation or rural service commitment area and engage in the full-time practice of veterinary medicine for a period of four consecutive years after entering into the agreement in the veterinary shortage area or rural service commitment area, unless the loan repayment recipient receives a waiver from the commission to complete the years of practice required under the agreement in another veterinary shortage area or rural service commitment area pursuant to [subsection 7](#).

5. *Priority to certain applicants.* The commission shall give priority to applicants who graduated from a high school in Iowa or completed private instruction under [chapter 299A](#).

6. *Loan repayment amounts.*

a. Unless the agreement entered into under [subsection 4](#) stipulates otherwise, the amount of loan repayment an individual who enters into an agreement shall receive if in compliance with obligations under the agreement shall not exceed fifteen thousand dollars annually for an eligible loan. Payments under [this section](#) may be made for each year of eligible practice during a period of four consecutive years and shall not exceed a total of sixty thousand dollars or the amount of outstanding eligible loans, whichever amount is less.

b. Subject to the availability of funding for this purpose, the commission shall enter into at least five program agreements annually.

7. *Selection of rural service commitment area or veterinary shortage area.* A loan repayment recipient shall notify the commission of the recipient's rural service commitment area or veterinary shortage area prior to beginning practice in the area in accordance with [subsection 4](#), paragraph "c". The commission may waive the requirement that the loan repayment recipient practice in the same rural service commitment area or veterinary shortage area for all four years.

8. *Rural service commitment area or veterinarian shortage area priority.*

a. When possible, the commission shall enter into agreements under [subsection 4](#) with individuals who agree to practice in areas in the following priority order:

(1) Private practice food supply veterinary medicine in any veterinary shortage area.

(2) Private practice food supply veterinary medicine in a city in Iowa with a population of less than twenty-six thousand that is located more than twenty miles from a city with a population of fifty thousand or more, especially in remote or economically depressed rural areas.

(3) Animal veterinary medicine in a rural service commitment area.

b. Notwithstanding paragraph "a", the commission may consult with the state veterinarian to determine prioritization in accordance with [this subsection](#).

9. *Postponement and satisfaction of service obligation.*

a. The obligation to engage in practice in accordance with [subsection 4](#) shall be postponed for the following purposes:

(1) Active duty status in the armed forces, the armed forces military reserve, or the national guard.

(2) Service in volunteers in service to America.

(3) Service in the federal peace corps.

(4) A period of rural service commitment to the United States public health service commissioned corps.

(5) A period of religious missionary work conducted by an organization exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code.

(6) Any period of temporary medical incapacity during which the person obligated is unable, due to a medical condition, to engage in full-time practice as required under [subsection 4](#), paragraph "c".

b. Except for a postponement under paragraph "a", subparagraph (6), an obligation to engage in practice under an agreement entered into pursuant to [subsection 4](#) shall not be postponed for more than two years from the time the full-time practice was to have commenced under the agreement.

c. An obligation to engage in full-time practice under an agreement entered into pursuant to [subsection 4](#) shall be considered satisfied when any of the following conditions are met:

- (1) The terms of the agreement are completed.
 - (2) The person who entered into the agreement dies.
 - (3) The person who entered into the agreement, due to a permanent disability, is unable to practice veterinary medicine.
 - (4) The commission waives the requirement that the person who entered into the agreement fulfill the obligation to engage in practice.
- d. If a loan repayment recipient fails to fulfill the obligation to engage in practice in accordance with [subsection 4](#), the recipient shall be subject to repayment to the commission of the loan amount plus interest as specified by rule. A loan repayment recipient who fails to meet the requirements of the obligation to engage in practice in accordance with [subsection 4](#) may also be subject to repayment of moneys advanced by the rural service commitment area as provided in any agreement with the rural service commitment area.
10. *Trust fund established.* A rural veterinary care trust fund is created in the state treasury as a separate fund under the control of the commission. The commission may accept gifts, grants, bequests, and other private contributions, as well as state or federal moneys, for deposit in the fund. The commission shall remit all repayments made pursuant to [this section](#) to the rural veterinary care trust fund. All moneys deposited or paid into the trust fund are appropriated and made available to the commission to be used for meeting the requirements of [this section](#) and increasing the number of veterinarians participating in the program. Moneys in the fund up to the total amount that an eligible individual may receive for an eligible loan in accordance with [this section](#) and upon fulfilling the requirements of [subsection 4](#), shall be considered encumbered for the duration of the agreement entered into pursuant to [subsection 4](#). Notwithstanding [section 8.33](#), any balance in the fund on June 30 of each fiscal year shall not revert to the general fund of the state, but shall be available for purposes of [this section](#) and to increase the number of veterinarians participating in the program in subsequent fiscal years.

Approved June 17, 2020